

AMENDMENTS TO LB 368

Introduced by Banking, Commerce and Insurance

1 1. On page 7, line 4, strike "A" and insert "(1) Except
2 as otherwise provided in this act, a"; and after line 11 insert the
3 following new subsection:

4 "(2) (a) Except as otherwise provided in subdivision (b)
5 of this subsection, a limited cooperative association shall not
6 issue bonds, debentures, or other evidence of indebtedness to a
7 participant unless, prior to issuance, the association provides the
8 participant with a written disclosure statement that includes a
9 conspicuous notice that the money is not insured or guaranteed by
10 an agency or instrumentality of the United States government and
11 that the investment may lose value.

12 (b) A limited cooperative association need not provide
13 the written disclosure statement described in subdivision (a) of
14 this subsection to any participant that is described in subdivision
15 (8) of section 8-1111.

16 (c) Any extension of credit by a limited cooperative
17 association to a participant in connection with the sale of the
18 association's goods or services shall not:

19 (i) Exceed nine months from the date of such sale; or

20 (ii) Be secured by real property, except that an
21 extension of credit in default at the end of the original term may
22 be extended or renewed for successive periods not exceeding nine
23 months in length and may be secured by real property at the end of

1 the original term or any extension or renewal thereof.

2 (d) No new money may be advanced by an association in
3 connection with the extension or renewal of an extension of credit
4 granted under subdivision (2)(c) of this section."

5 2. On page 34, line 15, strike "or governance rights";
6 and in line 17 after "rights" insert "in such association".